

State Transportation Commission

November 16, 2006

**Director Kirk T. Steudle, P.E.
Michigan Department of Transportation**

Overview

- Local Jobs Today
- Transportation Costs

Local Jobs Today

- **State Local Match**
 - Total - \$48,735,841
- **Jobs Today Match
MML & CRAM**
 - FY 2006 - \$9,686,657
 - FY 2007 - \$39,049,184
 - Total - \$48,735,841
- **Project cost
MML & CRAM**
 - FY 2006 - \$60,363,661
 - FY 2007 - \$252,129,982
 - Total - \$312,493,643



Local Jobs Today

- **Projects approved CRAM & MML**
 - FY 2006 – 58
 - FY 2007 – 163
 - Total - 221
- **HPP projects**
 - 55 projects approved
 - Total HPP jobs today match
 - \$27,163,998
 - Total HPP project cost
 - \$165,711,344

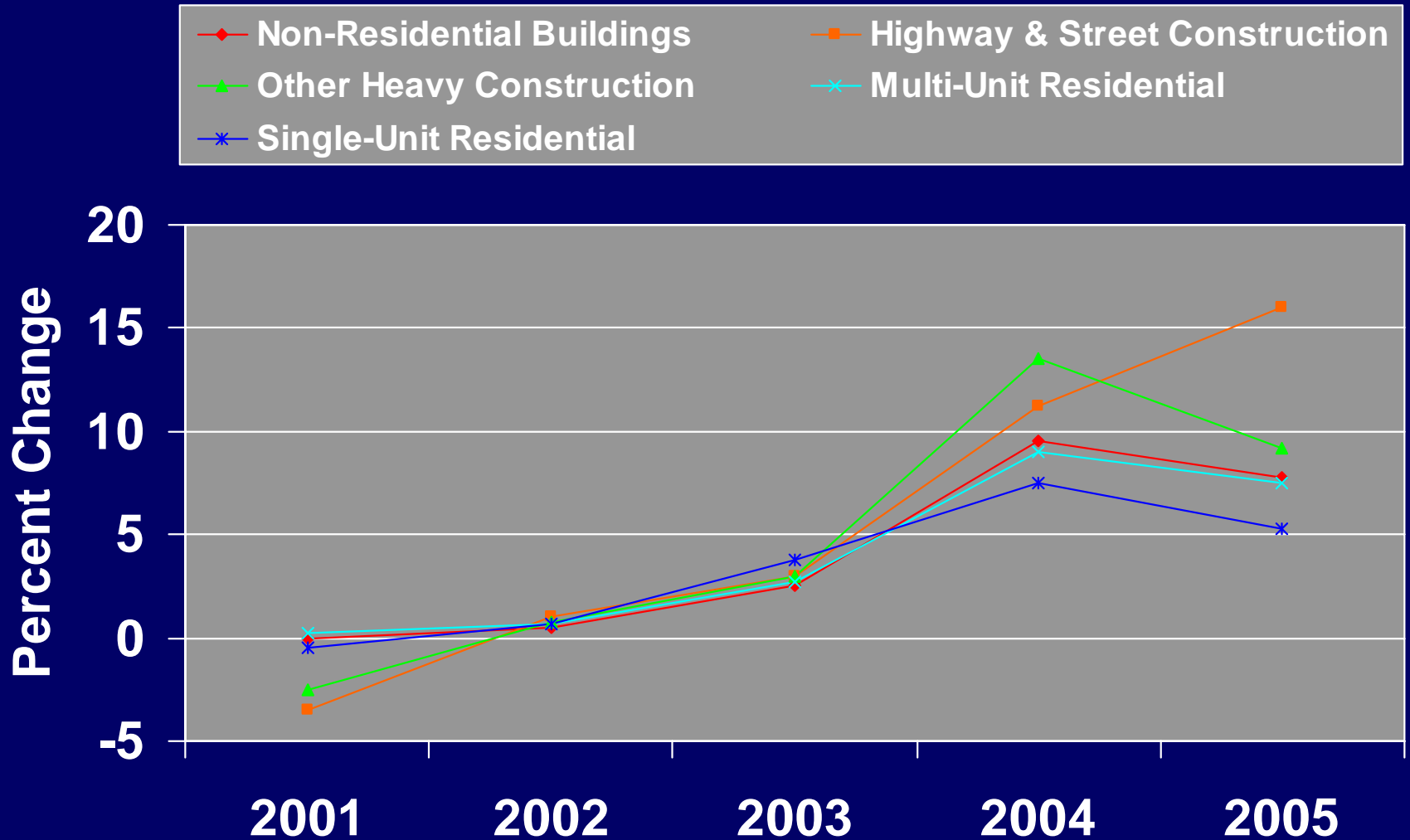


Transportation Costs

John Friend, P.E.
Director of Highway Development
Michigan Department of Transportation

Construction Trend Comparison

Better Roads - December 2005 Issue

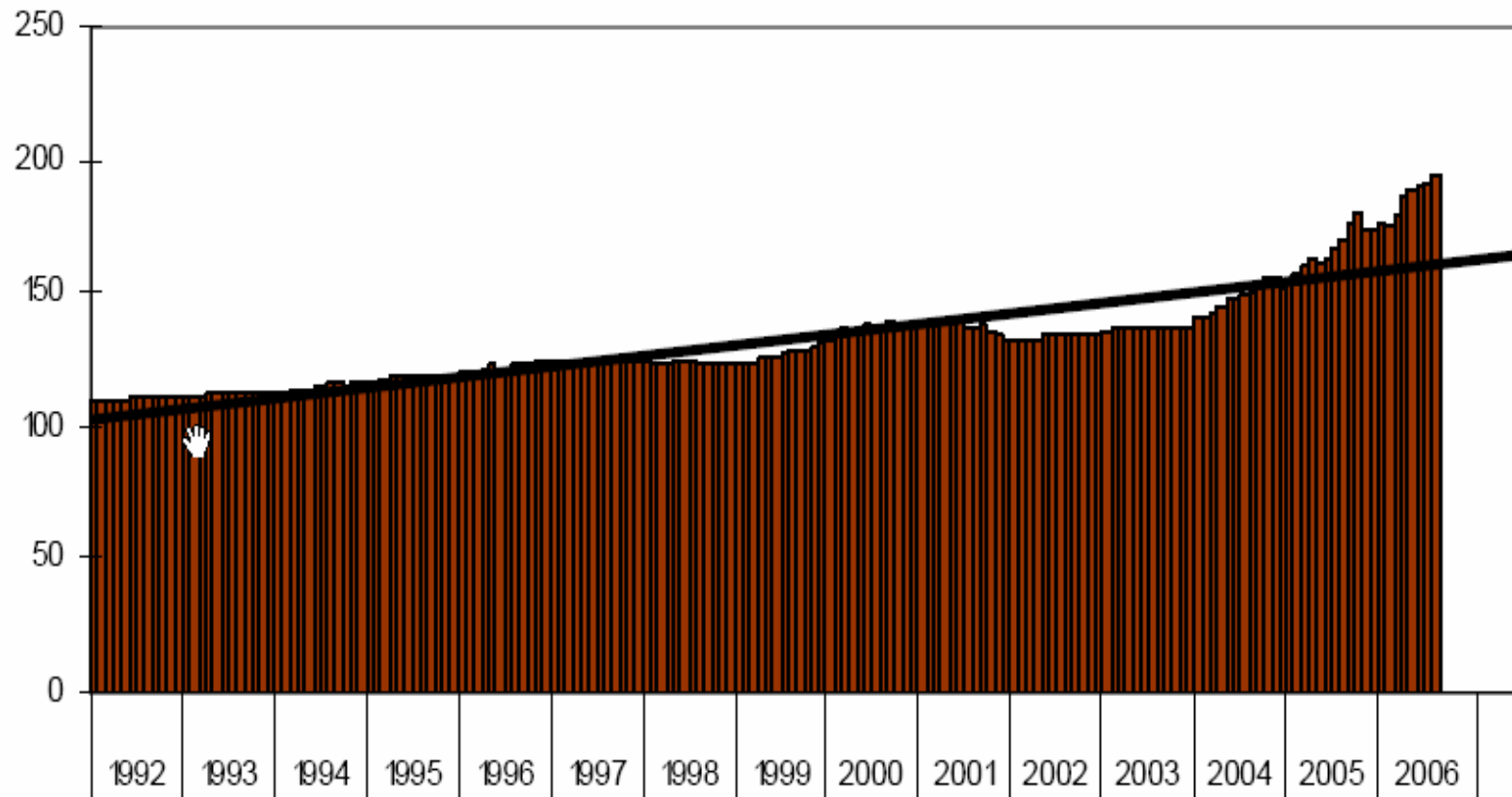


Cost of Doing Highway Business

- Fluctuating Price of Oil
- Natural Gas Price Increase
- Natural Disasters Such as Hurricane Katrina
- Economic Boom in China
- Loss of Purchasing Power

National Trends

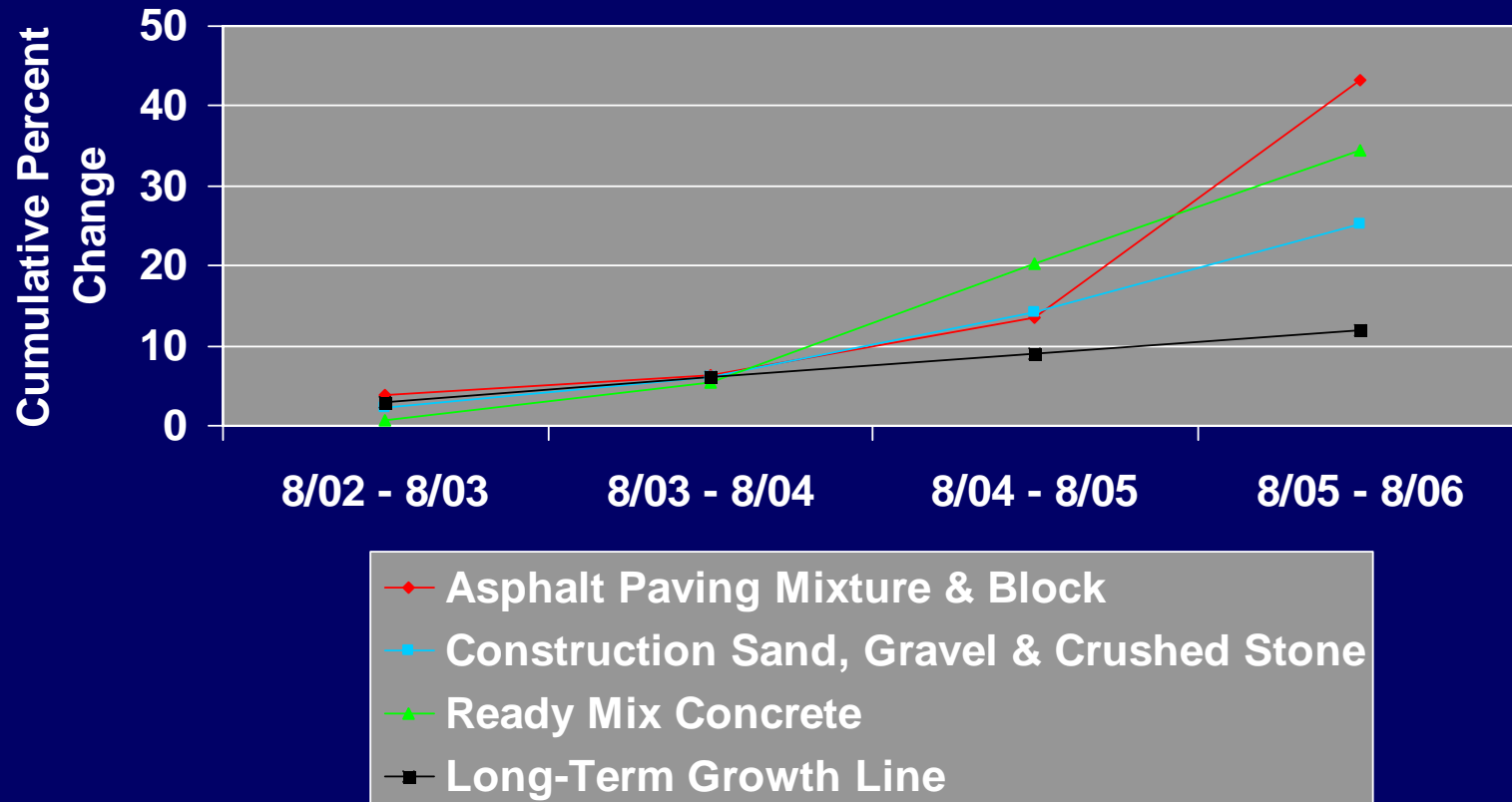
Monthly Producer Price Index for Highways & Streets



— Long-term trend = 3.0% growth per year

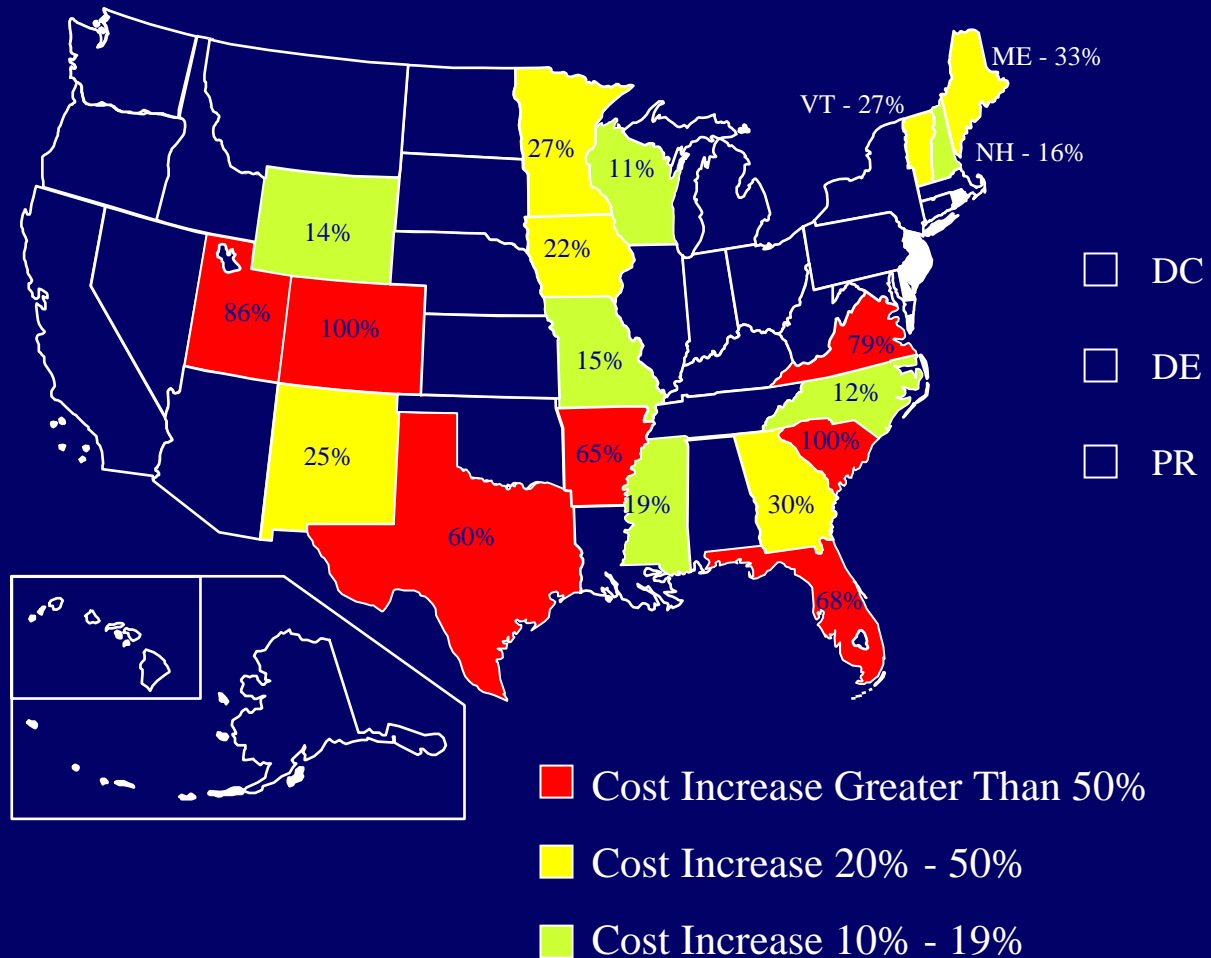
National Trends

Producer Prices Obtained

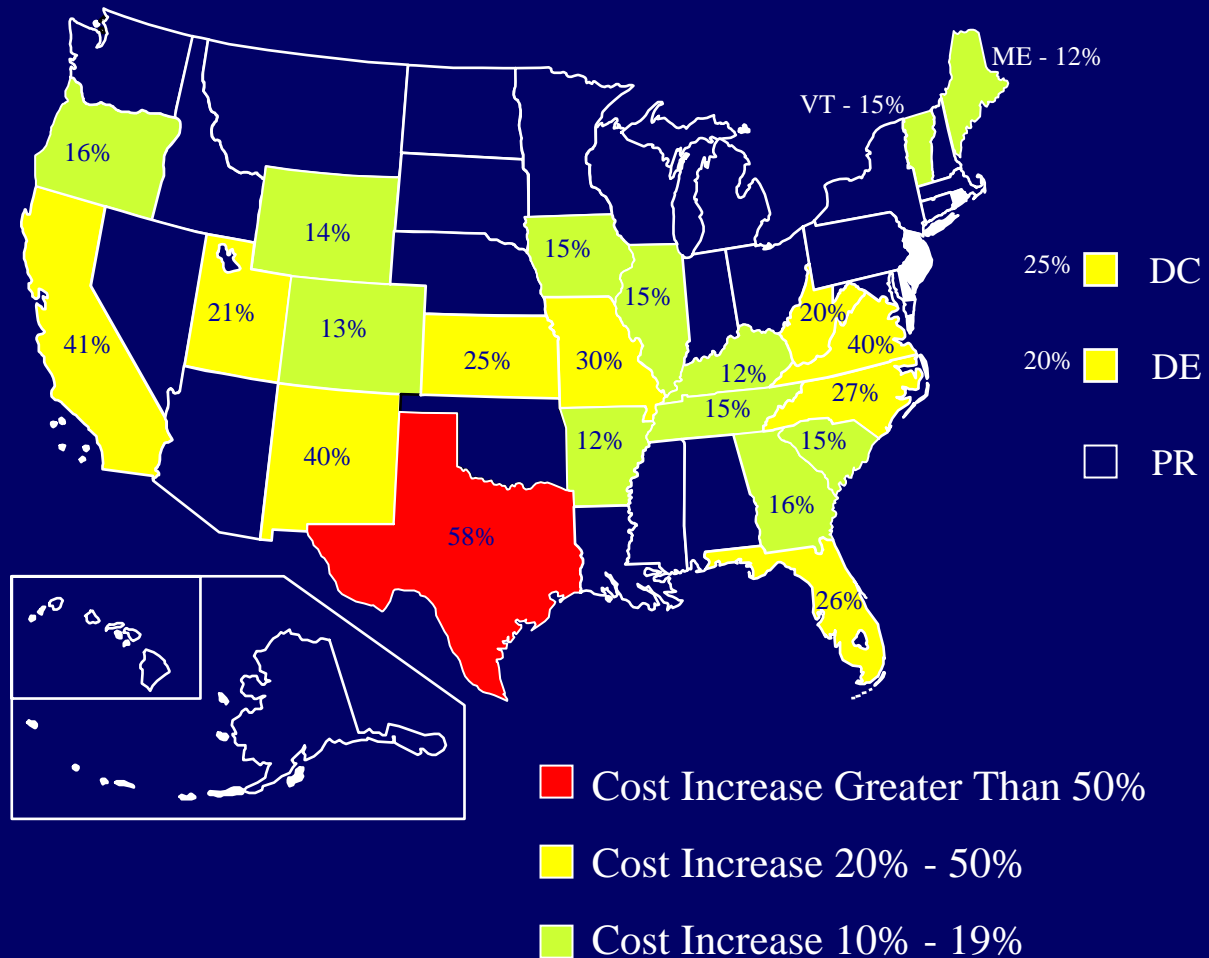


Data Obtained From American Road & Transportation Builders Association

Earthwork Price Increases

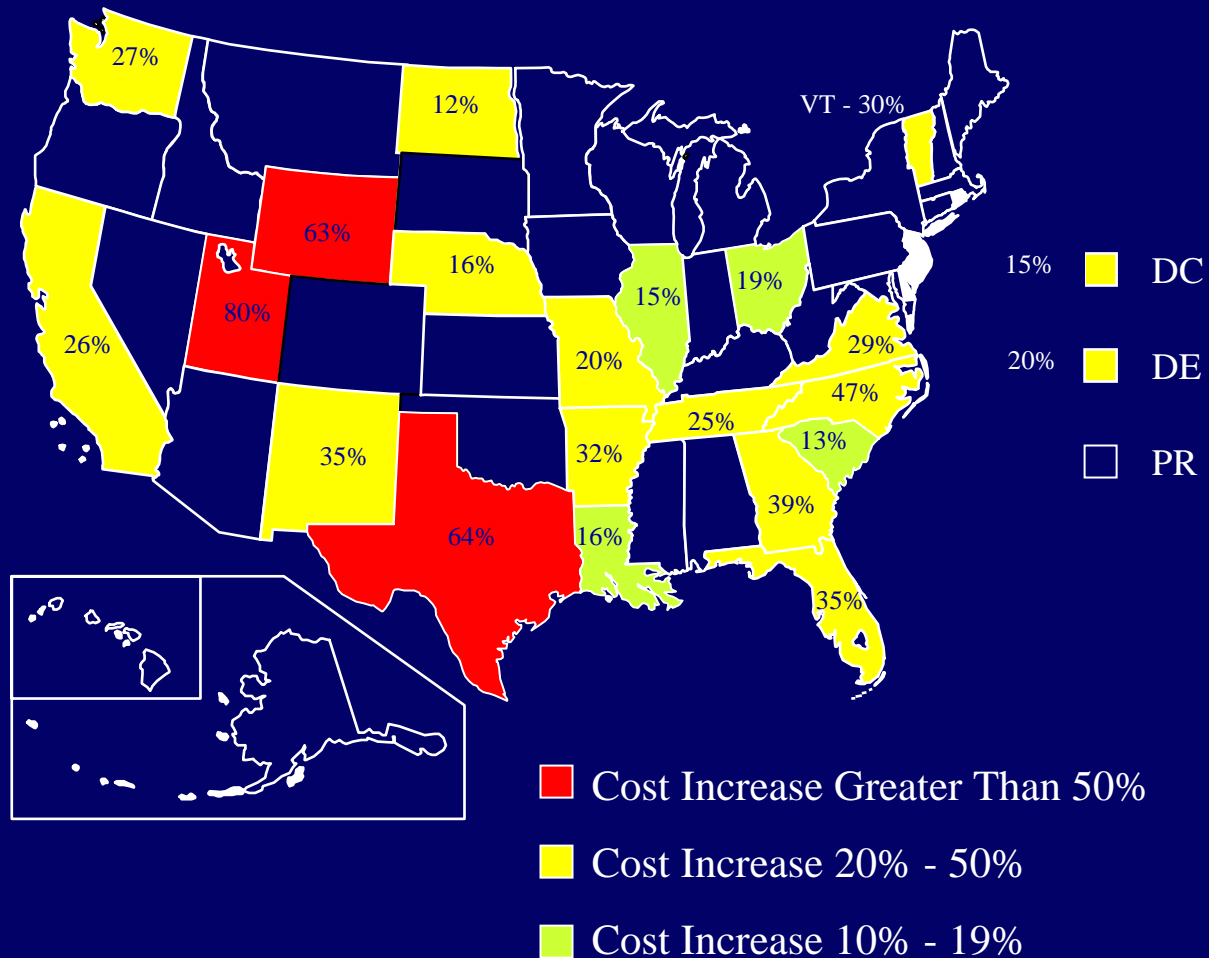


Asphalt Price Increases



Portland Cement Concrete

Price Increases

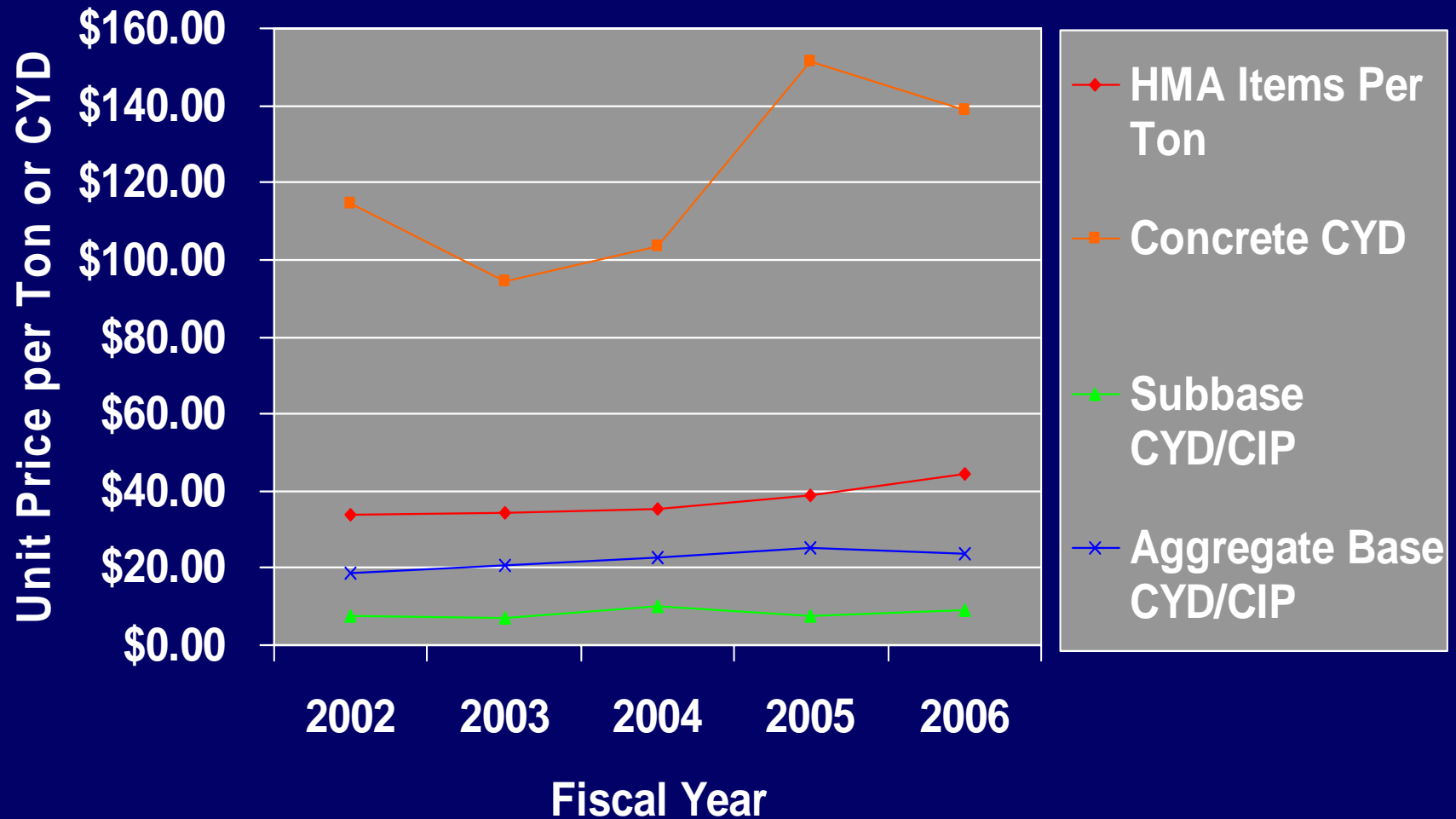


Michigan's Costs

Unit Price History of Items Containing Aggregates

Fiscal Year	All HMA Items per Ton	Concrete CYD	Subbase CYD CIP	Aggregate Base per CYD CIP
2002	\$33.61	\$114.69	\$7.70	\$18.57
2003	\$34.57	\$94.30	\$7.19	\$20.84
2004	\$35.40	\$103.26	\$9.91	\$22.90
2005	\$38.71	\$151.50	\$7.59	\$25.26
2006	\$44.50	\$138.73	\$9.24	\$23.95

Unit Price History of Items Containing Aggregates - July 6, 2006

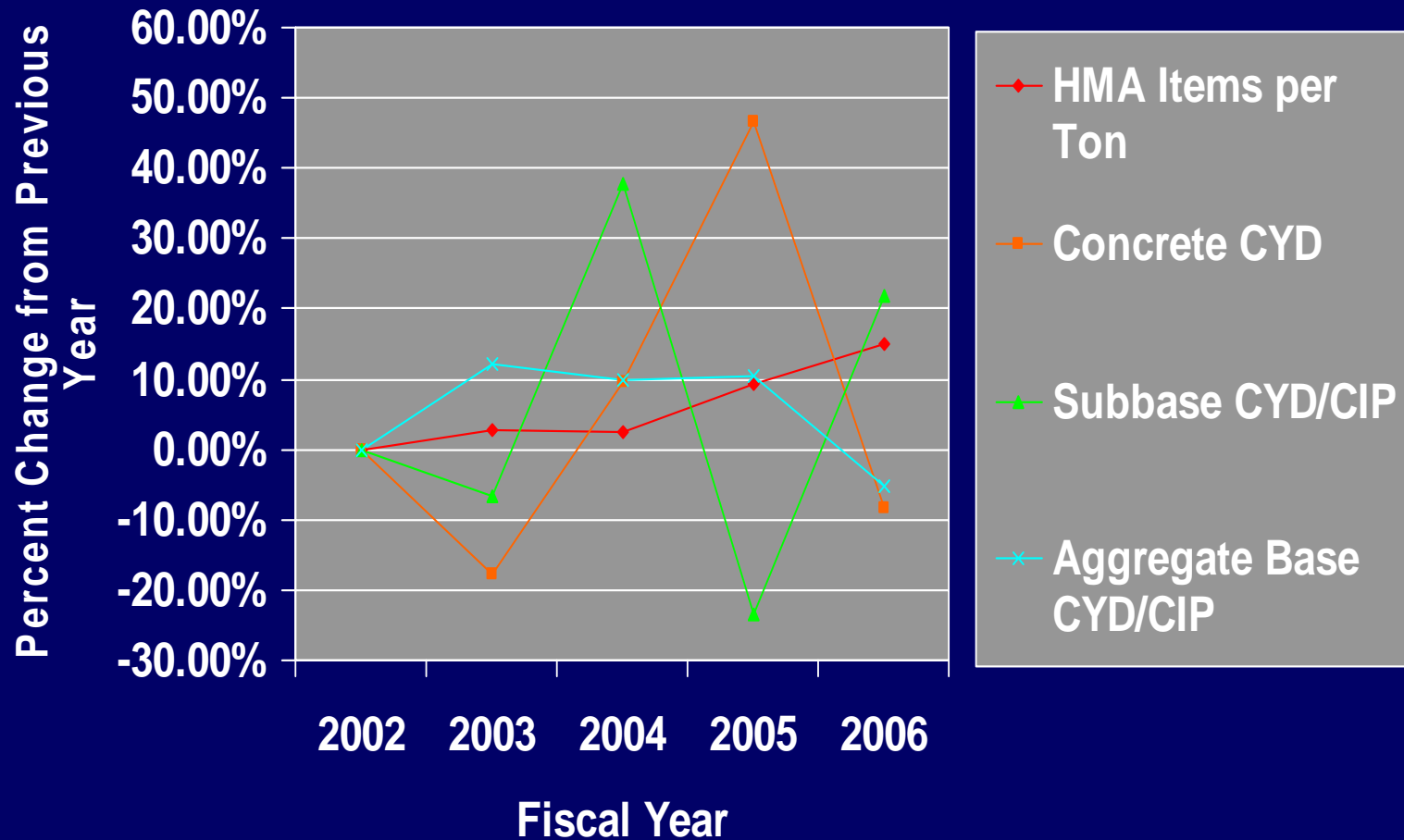


Michigan's Costs

Percent Change for Items Containing Aggregates

Fiscal Year	All HMA Items per Ton	Concrete CYD	Subbase CYD CIP	Aggregate Base per CYD CIP
2002	0.00%	0.00%	0.00%	0.00%
2003	2.85%	-17.78%	-6.62%	12.22%
2004	2.40%	9.50%	37.83%	9.88%
2005	9.34%	46.72%	-23.41%	10.31%
2006	14.97%	-8.43%	21.74%	-5.19%

Percent Change for Items Containing Aggregates - July 6, 2006



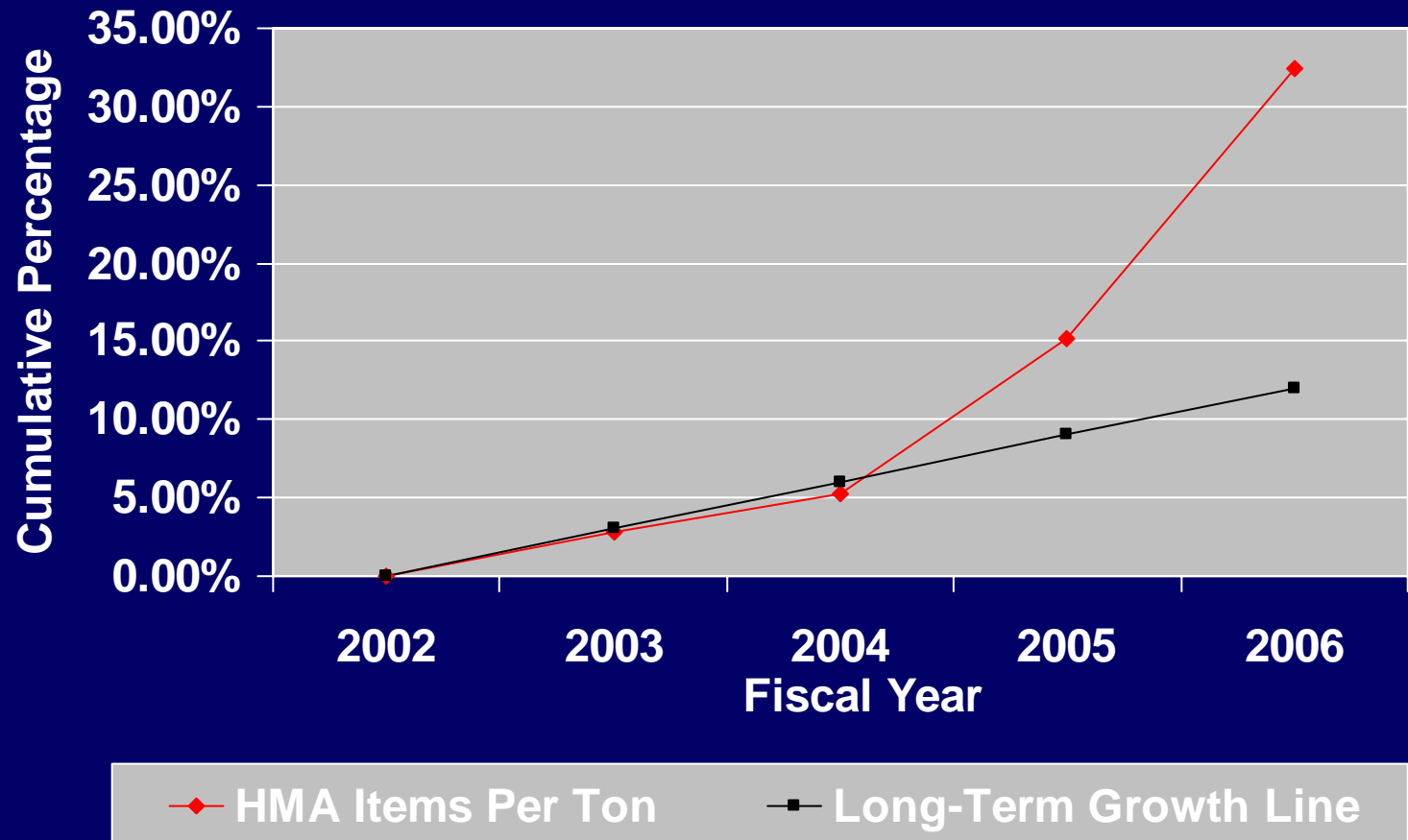
Michigan's Costs

Cumulative Percent Change for Items Containing Aggregates

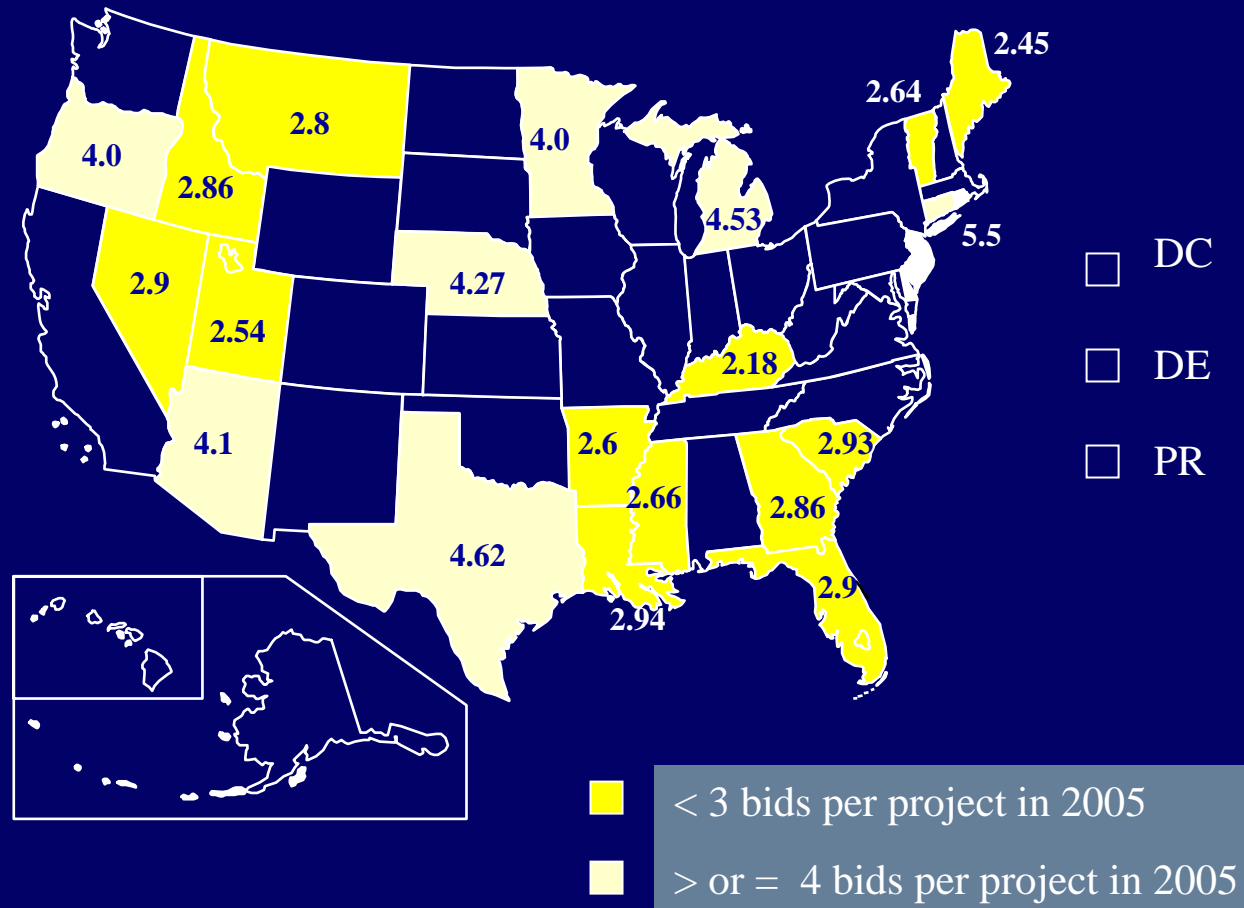
Fiscal Year	All HMA Items per Ton	Concrete CYD	Subbase CYD CIP	Aggregate Base per CYD CIP
2002	0.00%	0.00%	0.00%	0.00%
2003	2.85%	-17.78%	-6.62%	12.22%
2004	5.31%	-9.97%	28.70%	23.32%
2005	15.15%	32.10%	-1.43%	36.03%
2006	32.38%	20.96%	20.00%	28.97%

Cumulative Percent Change for HMA Items

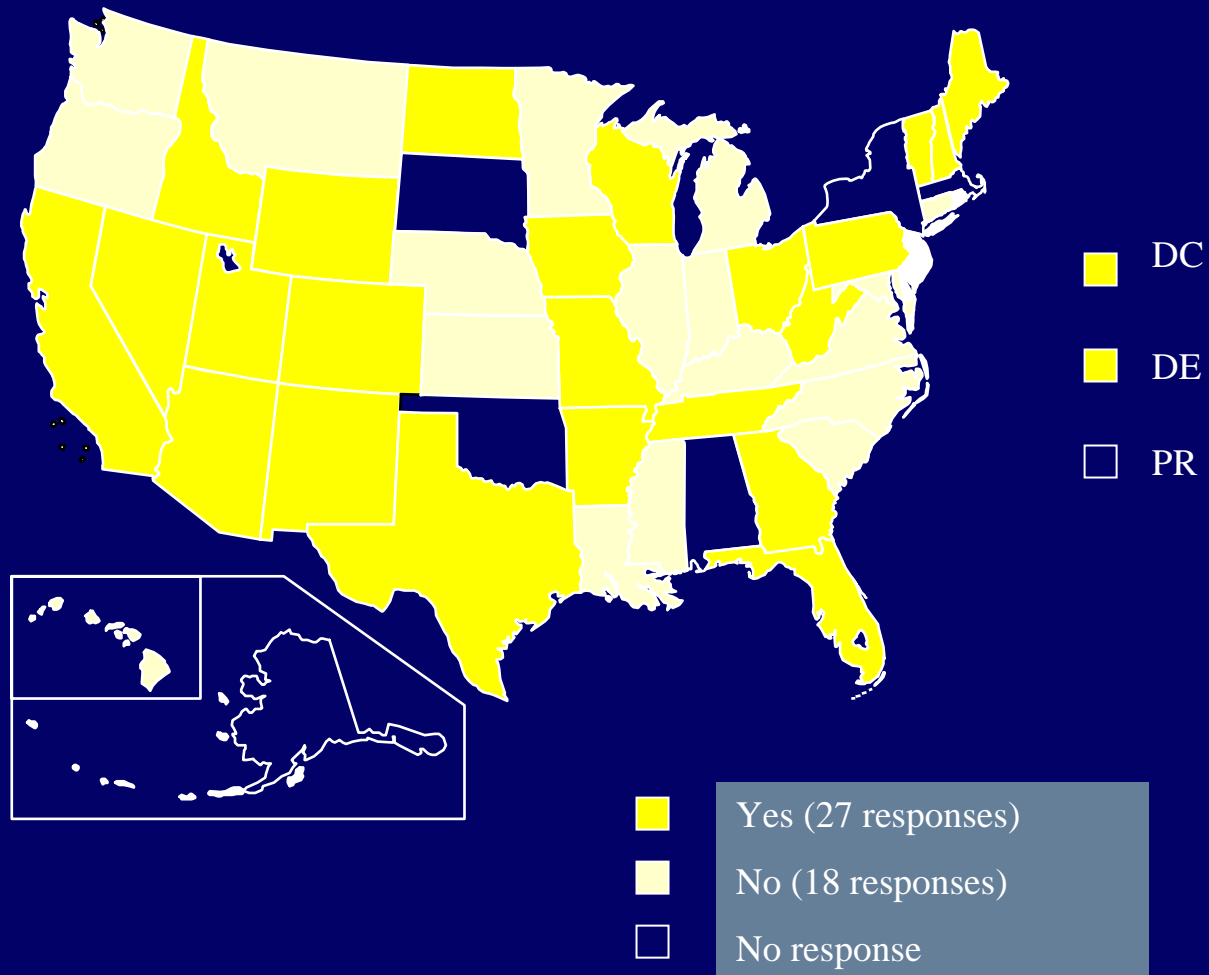
July 6, 2006



Average Number of Bids/ Project Selected Results

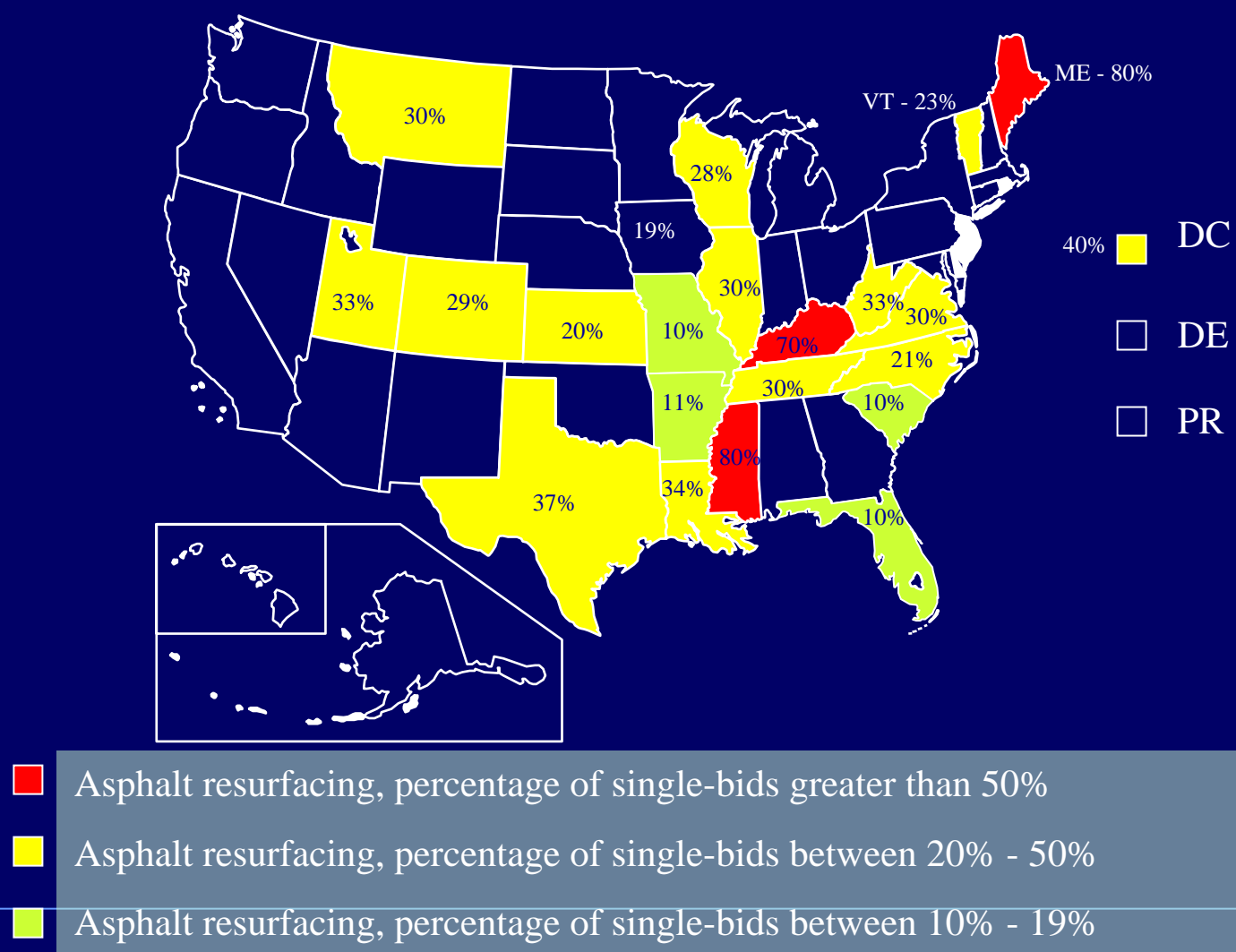


Question: Have You Experienced an Increase in the Number of Single Bids Over the Past 2-3 Years?



Occurrence of Single Bids by Type of Project

Asphalt Resurfacing Projects



Summary

- Transportation Material Costs Have Risen Significantly as Compared to Other Construction Industries
- HMA Costs Have Increased Over 20% in the Last Two Years
- Michigan is Fortunate When it Comes to the Number of Bidding Contractors for Each Project

Questions?